

Amendment No. 1 to SB0799

Johnson  
Signature of Sponsor

**AMEND Senate Bill No. 799**

**House Bill No. 139\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 23, is amended by adding the following as a new section:

(a) For the purposes of this section "an individual or group health insurance policy or contract" includes a health insurance policy or contract providing coverage on an expense-incurred basis, every policy or contract issued by a hospital or medical service corporation, an individual or group service contract issued by a health maintenance organization, and a self-insured group arrangement to the extent not preempted by federal law that is delivered, issued for delivery, or renewed in this state.

(b) An individual or group health insurance policy or contract providing prescription drug coverage in this state must permit and apply a prorated daily cost-sharing rate to prescriptions that are dispensed by a network pharmacy for partial supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the patient and the patient requests or agrees to a partial supply for the purpose of synchronizing the patient's medications, subject to the following conditions:

(1) The prescription drugs are covered by the policy's clinical coverage policy or have been approved by a formulary exceptions process;

(2) The prescription drugs are maintenance medications as defined by the policy and have available refill quantities at the time of synchronization;

(3) The medications are not Schedule II, III, or IV controlled substances;

(4) The insured meets all utilization management criteria specific to the prescription drugs at the time of synchronization;

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(5) The prescription drugs are of a formulation that can be safely split into short-fill periods to achieve synchronization; and

(6) The prescription drugs do not have special handling or sourcing needs as determined by the policy, contract, or agreement that require a single, designated pharmacy to fill or refill the prescription.

(c) Subject to the conditions in subsection (b), an individual or group health insurance policy contract providing prescription drug coverage shall not deny coverage for the dispensing of a medication that is dispensed by a network pharmacy on the basis that the dispensing is for a partial supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the patient and the patient requests or agrees to a partial supply for the purpose of synchronizing the patient's medication. The individual or group health plan must allow a pharmacy to override any denial codes indicating that a prescription is being refilled too soon for the purposes of medication synchronization. The individual or group health insurance policy or contract shall not be liable to the pharmacy for the patient's portion of the prorated copay or the amount that was not paid by the patient due to the proration.

(d) An individual or group health insurance policy or contract providing prescription drug coverage shall not use payment structures incorporating prorated dispensing fees. Dispensing fees for partially filled or refilled prescriptions shall be paid in full for each prescription dispensed, regardless of any prorated copay for the beneficiary or fee paid for alignment services.

SECTION 2. This act shall take effect July 1, 2017, the public welfare requiring it. This act shall apply to policies or contracts entered into or renewed on or after July 1, 2017.